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Payments and Benefits Disclosure Information for Strata Corporations

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As a member of a strata council or section executive committee, you need clear information to help you make good decisions.

Your strata manager or their brokerage has a duty to disclose information to you in writing about any payments or benefits they receive from someone other than your strata corporation as a result of providing services to you. They also need to let you know if they anticipate receiving a benefit or payment in the future as a result of the services they provide to you, or if an associate or affiliate of theirs has received or will receive a fee or benefit. It's all part of their duty to keep you well-informed.

RECBC's *Payment and Benefits Disclosure Information for Strata Corporations* form (please find a copy directly following this article) is designed to ensure that you are well-informed about any benefits or payments your strata manager receives. Your strata manager may use this form to help ensure that you receive the information you need, in a timely way. To help you understand what to expect, check out RECBC's What, When and How of disclosures about payments and benefits.

If you have questions about anything you see in a disclosure form provided by your strata manager, discuss the matter with your strata manager or the managing broker at the strata management company. You can also contact RECBC's Professional Standards Advisors, who are available to answer questions about the services and standards of conduct to expect from strata managers.

WHAT: information about payments and benefits must be disclosed

Your strata manager or their brokerage has a duty to disclose to you, in writing, any direct or indirect payment or benefit they receive or anticipate receiving. On the *Payment and Benefits Disclosure Information for Strata Corporations* form you'll find:

- the **source** of the payment or benefit
- the **amount**
- **all other relevant facts** relating to the payment or benefit.

The form includes space for your strata manager to indicate the annual aggregate amount (or estimate) of any payments they receive for:

- recommending service providers
- referring a service provider
- providing strata documents, such as Form B and Form F, and any associated rush fees.

Your strata manager must also disclose any direct or indirect benefit they receive or expect to receive from making an expenditure on behalf of your corporation such as:

- money
- gifts
- points
- any other type of benefit.

This will help your strata corporation to understand the various sources of payments or benefits the strata management company will receive each year. These disclosures are intended to ensure that you have the information you need to make good decisions.

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WHEN: disclosures must be timely and regular

Your strata manager and strata management company are required to make disclosures promptly whenever they receive or anticipate receiving remuneration or other benefits from a third party because you are their client. When they receive a benefit as a result of making an expenditure on your behalf, they must disclose the benefit to you before accepting it.

Your strata manager must disclose any relationships with potential service providers in advance, as well as the nature and extent of any expected payments, fees or benefits. This disclosure ensures the strata corporation can be fully informed of all material information prior to selecting a service provider or making or authorizing an expenditure.

Disclosures should be made annually

At the start of the year you should receive a disclosure identifying the remuneration that your strata manager or strata management company expects to receive from third parties during the coming year.

As strata council and section executive members can change every year it is important to ensure that the new members are informed about all disclosures that the previous strata council/section executive received. RECBC recommends that strata managers and strata management companies make these disclosures every year to strata council/section executive to ensure that they are aware of these additional sources of remuneration or benefits, even where they have been disclosed previously.

Disclosure should be made periodically throughout the year when benefits or remuneration change

If there are changes to the expected or actual remuneration or benefits that your strata manager or strata management company disclosed to you at the beginning of the year, they must disclose these changes to you.

Disclosure should be made at year end

Real estate professionals are required to disclose all material information about the services they provide, and because it is important for you to know how much your strata manager or strata management company received during the year from third parties, you should expect to receive an “end of year” written disclosure identifying the total amount of remuneration/benefits they received during the year.

HOW: disclosures must be in writing

RECBC has developed this form as an aid for you and your strata manager — to ensure that you receive the required written disclosures in a timely manner. This form can also assist you in easily understanding what remuneration or benefits your strata manager expects to receive during the year from third parties, and the total amount of all remuneration and any benefits that they received from third parties during the year.